

EXHIBIT R

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

Newell Rubbermaid, Inc.,

Plaintiff,

v.

Civil Action No. 1-cv-15-00597-RJJ

Kirsch Lofts, LLC,

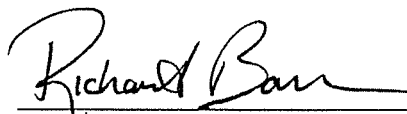
Defendant.

SUPPLEMENT TO PLAINTIFF'S EXPERT REPORT

RICHARD A. BARR

Respectfully submitted,

Dated: June 17, 2016



Richard A. Barr

INTRODUCTION

This Supplement to Plaintiff's Expert Report ("Supplement") provides additional and revised information to address information provided by Defendants after the issuance of my May 19, 2016 report. In particular, this Supplement considers information disclosed by Mr. Bosgraaf during his June 6, 2016 deposition and contained in Exhibits 58 and 61, each dated 6/9/16.

1. Brownfield Tax Increment Financing Claim. Section 3 of my Report, commencing on page 16, is supplemented with the following information:

- (a) I have modified my calculations set forth in Exhibits Q and R of my Report based upon the construction schedule revealed in Exhibit 61. The attached revised Exhibits Q and R reflect the "Original Construction Schedule" and the impact of a 7 year delay to the "Proposed Construction Schedule (Newell delay)" described on Exhibit 61.

- (b) The results of the updating of Exhibits Q and R is that the conclusions set forth on page 22 and starting in the first complete paragraph of page 27 and continuing through the first paragraph of page 28 of my Report are revised to read as follows:

(Page 22, para. d):

“d. Exhibit Q is an estimated schedule of reimbursements of eligible costs that incorporates the various conclusions above. The schedule demonstrates that Kirsch Lofts should have expected to receive final reimbursement of all of the potentially reimbursable costs plus interest by 2035, which is 3 years before the current 30-year deadline for final reimbursement under the Brownfield Plan.”[footnote omitted]

(pages 27 and 28):

“Exhibit Q presents my estimate of the reimbursements that would have been realized by Kirsch Lofts had the project been constructed as described by Mr. Scott Bosgraaf, and as originally submitted and approved by the City of Sturgis, the MDEQ and the MEGA, as described above. Based upon this estimate, I conclude that Kirsch Lofts would have received complete reimbursement by 2035 if the project had proceeded as originally approved for (a) all \$579,124 of its costs that were not reimbursed with proceeds of the Brownfield Loan, (b) payments on the MDEQ Loan made directly or indirectly by Kirsch Lofts, and (c) \$851,133 of interest.” [footnote omitted]

“Exhibit R presents my estimate of the reimbursements that could be realized by Kirsch Lofts if a seven-year delay of the project occurs as alleged by Kirsch Lofts and the Siegal Opinion, the project is then constructed in three phases as contemplated by Mr. Bosgraaf and in various documents and Kirsch Lofts obtains a 5-year deferral of the commencement of the maximum 30-year brownfield plan tax capture period, which has been legally permitted since the amendment of Act 381 by 2012 P.A. 502. Based upon these assumptions, I estimate that Kirsch Lofts would have been paid all amounts due it under the Brownfield Plan.

If Kirsch Lofts does not obtain approval for a 5-year deferral of the commencement of the 30-year tax capture period, I estimate that there would be \$143,434 of unreimbursed costs or accrued but unpaid interest at the end of 2043 that would not be paid to Kirsch Lofts under the Brownfield Plan.”

- (c) Exhibit 58 omits any reference to the receipt of MDEQ Loan proceeds which are described in my Report and considered in my estimates of tax increment and tax credit values, even though what appears to be corresponding invoices from Bosgraaf Commercial that likely were paid

from MDEQ Loan proceeds are listed. The Act 381 Work Plan refers to the MDEQ Loan and other documents refer to the reduced interest rate approved for school tax purposes with respect to funds advanced under the MDEQ Loan. Further, costs that are or will be paid by others, including tax increment proceeds under a brownfield plan, are not eligible investment for purposes of the MBT Brownfield Tax Credit.

2. New Markets Tax Credits Claim. Section 4 of my Report, commencing on page 28, is supplemented with the following information:

- (a) Exhibit 61, prepared by or for Kirsch Lofts, confirms that the project was intended to be constructed over a 6 year timeframe (from 2010 to 2016), but Kirsch Lofts claims that it lost an opportunity to obtain the benefits of New Markets Tax Credits valued in the June 12, 2016 revised Expert Report of Arthur Siegal as being worth at least \$1,873,800. A project that has a construction period extending over six years will not qualify for New Markets Tax Credits because it won't satisfy the requirement of Treas. Reg. §1.45D-1(c)(5)(iv) that qualified equity

investments be made within 12 months after funds are received from the tax credit investor.

- (b) Exhibit 58 discloses the payment of a \$10,000 “MMF Application Fee”, which after investigation I have assumed represents the payment of a \$10,000 reservation fee to Michigan Magnet Fund (“MMF”), a second CDE from whom Kirsch Lofts apparently sought an allocation of New Market Tax Credits. Upon inquiry of a representative of MMF, Albert Bogdan, I learned that MMF issued a reservation letter to Kirsch Industrial or a related Kirsch entity on February 25, 2010 (about one month after the January 27, 2010 e-mail from the MDEQ concerning site conditions (see Exhibit N to my Report)).
- (c) Mr. Bogdan indicated that he did not believe that discussions with Kirsch ever proceeded to the stage where an evaluation of the possible problem with compliance with the 80% non-residential income requirement was evaluated by MMF nor that the multi-year nature of the project was evaluated for possible non-compliance with Internal Revenue Code requirements under the New Markets Tax Credit program. I also learned that Kirsch failed to satisfy

the requirements of the MMF reservation letter and failed to respond to requests for information from MMF. Among other deficiencies in Kirsch satisfying the requirements of the MMF reservation letter, Mr. Bogdan reported to me that Kirsch failed to demonstrate its ability to obtain the leverage loan or other financial support for the proposed New Markets transaction and to complete the required complete application for the New Markets Tax Credit allocation.

- (d) MMF refused to refund Kirsch the \$10,000 reservation fee indicated on Exhibit 58, despite a request from Mr. Bosgraaf. MMF terminated its reservation letter (see minutes of MMF'S January 19, 2011 Board of Directors meeting, page 19, attached as Exhibit S hereto).
- (e) I understand that Exhibit 58 has been described by Scott Bosgraaf to represent all out of pocket costs of Kirsch Lofts for the project. The absence of an indication on Exhibit 58 that Kirsch Lofts paid CapFund the \$30,000 deposit required by the terms of the purported terms sheet from CapFund (undated and unsigned) is further reason to doubt that CapFund ever was committed or ready to proceed with

closing of the New Markets Tax Credit transaction,
contrary to the claim of Kirsch Lofts.

B. SUPPLEMENTAL TESTIMONY

I reserve the right to supplement or modify this report and my findings to respond to any new or additional information that may become available after the date of this report and to rebut, as necessary, any opinions offered by the defendant or its experts in this case.

Exhibit Q (revised)

[illegible]

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL										
1 Kirsch, Jeff																												
2 Original Project Timing																												
3 New June 16, 2015, res phase, OPRA/NEZ staged																												
4 Simple Interest																												
5 Taxable Value: Existing Parcels																												
6 Increase in Land Value																												
7 Number of Ph 1 Rental Units																												
8 Taxable Value: Phase 1 Rental Units																												
9 Number of Sold Phase 1 Prin. Res. Units																												
10 Taxable Value: Sold Phase 1 Prin. Res. Units																												
11 Phase 2 Commercial Square Footage																												
12 Taxable Value: Phase 2 Commercial																												
13 Number of Ph 3 Rental Units																												
14 Taxable Value: Phase 3 Rental Units																												
15 Number of Sold Phase 3 Prin. Res. Units																												
16 Taxable Value: Sold Phase 3 Prin. Res. Units																												
17 Total taxable value: Prin. Residential																												
18 Total taxable value: commercial																												
19 Incremental taxable value: land																												
20 Incremental taxable value: residential rental																												
21 Incremental taxable value: Principal Residential																												
22 Incremental taxable value: commercial																												
23 Total Incremental Taxable Value																												
24 Assumed annual TV increase rate																												
25 Incremental Tax Estimates:																												
26 School Taxes - Millage																												
27 City operating																												
28 County operating																												
29 Inter. Schools																												
30 Total Local																												
31 Total School and Local Captivable																												
32 Annual Incremental Local/Non-School Taxes Captured																												
33 Annual Incremental Local/Non-School Taxes Captured																												
34 Total Annual Incremental Taxes Captured																												
35 Cumulative Annual Incr. Local Taxes Captured																												
36 Cumulative Annual Incr. Local Taxes Captured																												
37 Cumulative Annual Incr. School Taxes Captured																												
38 Cumulative Annual Incr. School Taxes Captured																												
39 Cumulative Total Incremental Taxes Captured																												
40 Annual Taxes Available for Reimbursement																												
41 Cumulative Taxes Available for Reimbursement																												
42 Eligible Costs (\$29,600 DEQ + \$549,534 MEGA + DEQ \$1M Loan with																												
43 Simple Interest Accrued																												
44 Unreimbursed Eligible Costs and Interest																												
45 Balance of Accrued Unpaid Interest																												
46 Interest Paid																												
47 Ending Unreimbursed Costs																												
48 Ending Accrued Interest																												
49																												

	A	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY
1	Kirsch, Lofis													
2	Original Project Timing													
3	rev June 10, 2016, re: Phase 1, OPRA/NEZ staged													
4	Simple Interest	29	30	Totals										
5	Taxable Value-Existing Parcels	2037	2038	101,171										
6	Increase in Land Value	99,187												
7	Number of PH 1 Rental Units													
8	Taxable Value-Phase 1 Rental Units		28											
9	Number of Sold Phase 1 Prim. Res. Units		2,152,793	2,195,499										
10	Taxable Value-Sold Phase 1 Prim. Res. Units													
11	Phase 2 Commercial Square Footage		1,608,437	1,640,606										
12	Number of PH 3 Rental Units													
13	Taxable Value-Phase 3 Rental Units		17											
14	Number of Sold Phase 3 Prim. Res. Units		1,911,619	1,949,851										
15	Taxable Value-Sold Phase 3 Prim. Res. Units													
16	Total taxable value: residential rental		4,064,412	4,145,700										
17	Total taxable value: commercial		1,606,437	1,640,606										
18	Incremental taxable value: land													
19	Incremental taxable value: residential rental		3,959,612	4,040,900										
20	Incremental taxable value: commercial		1,608,437	1,640,606										
21	Total Incremental Taxable Value		5,568,049	5,681,506										
22	Assumed annual TV increase rate													
23	Incremental Tax Estimates:													
24	School Taxes - Millage		28,952	29,531	520,317									
25	School Operating		34,037	34,718	555,377									
26	State Educ Tax		62,989	64,249	1,075,694									
27	Total Schools													
28	Local Taxes													
29	Comm. College, library, transport.		23,661	24,135	370,265									
30	City operating		56,890	58,028	867,717									
31	County operating		39,945	40,744	609,258									
32	Inter. Schools		15,784	16,099	246,889									
33	Total Local		136,280	139,006	2,094,228									
34	Total School and Local Capturable		199,269	203,254	3,169,922									
35	Annual Incremental Local/Non-School Taxes Captured		136,280	139,006	2,094,228									
36	Annual Incremental School Taxes Captured		62,989	64,249	1,075,694									
37	Total Annual Incremental Taxes Captured		199,269	203,254	3,169,922									
38	Cumulative Annual Incr. Local Taxes Captured		1,955,223	2,094,228	2,094,228									
39	Cumulative Annual Incr. School Taxes Captured		1,011,445	1,075,694	1,075,694									
40	Cumulative Total Incremental Taxes Captured		2,966,668	3,169,922	3,169,922									
41	Annual Taxes Available for Reimbursement		199,269	203,254	3,169,922									
42	Cumulative Taxes Captured for Reimbursement		2,966,668	3,169,922	3,169,922									
43	Eligible Costs (\$29,600 ODC + \$549,524 MEGA + ODC \$1M loan with int.)				1,655,210									
44	Simple Interest Accrued				859,366									
45	Unreimbursed Eligible Costs and Interest				1,655,210									
46	Cost Reimbursements Paid													
47	Balance of Accrued Unpaid Interest				859,366									
48	Interest Paid													
49	Ending Unreimbursed Costs													
50	Ending Accrued Interest													
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Exhibit R (revised)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
1	Kirsch Lofts																			
2																				
3	7 year delay and 5 more years																			
4	rev June 15, 2015; res phase, OPRA/NEZ staged																			
5	Simple Interest																			
6	Taxable Value: Existing Parcels																			
7	Increase in Land Value																			
8	Number of Ph 1 Rental Units																			
9	Taxable Value-Phase 1 Rental Units																			
10	Number of Solid Phase 1 Prin. Res. Units																			
11	Taxable Value-Solid Phase 1 Prin. Res. Units																			
12	Phase 2 Commercial Square Footage																			
13	Taxable Value-Phase 2 Commercial																			
14	Number of Ph 3 Rental Units																			
15	Taxable Value-Phase 3 Rental Units																			
16	Number of Solid Phase 3 Prin. Res. Units																			
17	Taxable Value-Solid Phase 3 Prin. Res. Units																			
18	Total taxable value: residential rental																			
19	Total taxable value: Prin. Residential																			
20	Total taxable value: commercial																			
21	Incremental taxable value: land																			
22	Incremental taxable value: residential rental																			
23	Incremental taxable value: Principal Residential																			
24	Incremental taxable value: commercial																			
25	Total Incremental Taxable Value																			
26	Assumed annual TV increase rate																			
27																				
28																				
29	Incremental Tax Estimates:																			
30	School Taxes - Millage																			
31	School Operating																			
32	State Educ Tax																			
33	Total Schools																			
34																				
35	Local Taxes																			
36	Comm. College, library, transport.																			
37	City operating																			
38	County operating																			
39	Inter. Schools																			
40	Total Local																			
41	Total School and Local Capturable																			
42	Annual Incremental School Taxes Captured																			
43	Annual Incremental Local Taxes Captured																			
44	Total Annual Incremental Taxes Captured																			
45	Cumulative Annual Incr. Local Taxes Captured																			
46	Cumulative Annual Incr. School Taxes Captured																			
47	Cumulative Total Incremental Taxes Captured																			
48	Annual Taxes Available for Reimbursement																			
49	Cumulative Taxes Captured for Reimbursement																			
50	Eligible Costs (\$29,600 DEQ + \$548,524 MEGA + DEQ \$1M Loan with int.)																			
51	Simple Interest Accrued																			
52	Unreimbursed Eligible Costs and Interest																			
53	Lost Reimbursements Paid																			
54	Interest Paid																			
55	Ending Unreimbursed Costs																			
56	Ending Accrued Interest																			
57																				
58																				
59																				

	A	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL
1 Kirsch, Lofis																			
2 7 years delay and 5 more years																			
3 7 years delay and 5 more years																			
4 7 years delay and 5 more years																			
5 simple interest																			
6 Taxable Value: Existing Parcels																			
7 Increase in Land Value																			
8 Number of Ph 1 Rental Units																			
9 Taxable Value: Phase 1 Rental Units																			
10 Number of Solid Phase 1 Prin. Res. Units																			
11 Taxable Value: Solid Phase 1 Prin. Res. Units																			
12 Taxable Value: Solid Phase 1 Prin. Res. Units																			
13 Taxable Value: Solid Phase 1 Prin. Res. Units																			
14 Phase 2 Commercial Square Footage																			
15 Taxable Value: Phase 2 Commercial																			
16 Number of Ph 3 Rental Units																			
17 Taxable Value: Phase 3 Rental Units																			
18 Number of Solid Phase 3 Prin. Res. Units																			
19 Taxable Value: Solid Phase 3 Prin. Res. Units																			
20 Total taxable value: residential rental																			
21 Total taxable value: Prin. Residential																			
22 Total taxable value: commercial																			
23 Incremental taxable value: land																			
24 Incremental taxable value: residential rental																			
25 Incremental taxable value: Principal Residential																			
26 Incremental taxable value: commercial																			
27 Total Incremental Taxable Value																			
28 Assumed annual TV increase rate																			
29 Incremental Tax Estimates:																			
30 School Taxes - Millage																			
31 School Operating																			
32 State Court Tax																			
33 Total Schools																			
34 Local Taxes																			
35 Comm. College, Library, Transport.																			
36 City operating																			
37 County operating																			
38 Inter. Schools																			
39 Total Local																			
40 Total School and Local Capturable																			
41 Annual Incremental Local/Non-School Taxes Captured																			
42 Annual Incremental School Taxes Captured																			
43 Total Annual Incremental Taxes Captured																			
44 Cumulative Annual Incr. Local Taxes Captured																			
45 Cumulative Annual Incr. School Taxes Captured																			
46 Cumulative Total Incremental Taxes Captured																			
47 Annual Taxes Available for Reimbursement																			
48 Cumulative Taxes Captured for Reimbursement																			
49 Eligible Costs (\$29,600 DEQ + \$549,534 MEGA + OEQ \$1M loan with																			
50 Simple Interest Accrued																			
51 Unreimbursed Eligible Costs and Interest																			
52 Cost Reimbursements Paid																			
53 Interest Paid																			
54 Ending Unreimbursed Costs																			
55 Ending Accrued Interest																			
56																			
57																			
58																			
59																			

	A	AM	AN	AO	AP	AQ	AR	AS	AT
1 Kirch Lofts									
2									
3 7 years delay and 5 more years									
4 rev June 16, 2016; res phase, OPRA/NEZ staged									
5 Simple interest	29	2037	2038	31	32	33	34	35	Totals
6 Taxable Value: Existing Parcels	99,187	101,171		103,194	105,258	107,363	109,510	111,701	
7 Increase in Land Value									
8 Taxable Value-Phase 1 Rental Units	28		28	28	28	28	28	28	
9 Number of Ph 1 Rental Units	1,874,136	1,911,619		1,949,851	1,988,848	2,028,625	2,069,197	2,110,581	
10 Taxable Value-Sold Phase 1 Prin. Res. Units									
11 Taxable Value-Sold Phase 2 Commercial	1,400,241	1,428,246		1,456,811	1,485,947	1,515,666	1,545,980	1,576,899	
12 Number of Ph 2 Rental Units	17		17	17	17	17	17	17	
13 Taxable Value-Phase 3 Rental Units									
14 Number of Sold Phase 3 Prin. Res. Units	1,654,179	1,657,463		1,731,412	1,766,040	1,801,361	1,837,388	1,874,136	
15 Taxable Value-Sold Phase 3 Prin. Res. Units									
16 Total taxable value: residential rental	1,400,241	1,428,246		1,456,811	1,485,947	1,515,666	1,545,980	1,576,899	
17 Total taxable value: commercial									
18 Incremental taxable value: land									
19 Incremental taxable value: residential rental	3,538,315	3,609,081		3,681,263	3,754,888	3,829,986	3,906,586	3,984,717	
20 Incremental taxable value: Principal Residential	1,400,241	1,428,246		1,456,811	1,485,947	1,515,666	1,545,980	1,576,899	
21 Incremental taxable value: commercial	4,938,556	5,037,327		5,138,074	5,240,835	5,345,652	5,452,565	5,561,616	
22 Total Incremental Taxable Value									
23 Assumed annual TV increase rate									
24									
25 Incremental Tax Estimates:									
26 School Taxes - Millage	55,160	25,708		26,223	26,747	27,282	27,828	28,384	683,341
27 School Operating	29,631	20,939		30,828	31,445	32,074	32,691	33,307	498,632
28 State Educ Tax	84,791	45,748		57,051	58,193	59,356	60,519	61,682	1,181,974
29 Total Schools									
30									
31 Local Taxes									
32 Comm. College, library, transport.	20,589	21,011		21,431	21,860	22,287	22,743	23,198	322,469
33 City operating	49,536	50,517		51,527	52,558	53,609	54,681	55,775	752,798
34 County operating	34,774	35,470		36,179	36,903	37,641	38,394	39,162	528,569
35 Inter. Schools	15,714	14,015		14,296	14,582	14,873	15,171	15,474	215,106
36 Total Local	118,640	121,013		123,433	125,902	128,420	130,988	133,606	1,838,843
37 Total School and Local Capturable	203,431	166,760		180,484	184,094	187,776	190,507	193,276	3,669,916
38 Annual Incremental Local/Non-School Taxes Captured	118,640	121,013		123,433	125,902	128,420	130,988	133,606	1,838,843
39 Annual Incremental School Taxes Captured	84,791	45,748		57,051	58,193	59,356	60,519	61,682	831,073
40 Total Annual Incremental Taxes Captured	203,431	166,760		180,484	184,094	187,776	190,507	193,276	3,669,916
41 Cumulative Annual Incr. Local Taxes Captured	1,055,580	1,176,592		1,300,025	1,425,927	1,554,347	1,685,355	1,818,949	3,000,316
42 Cumulative Annual Incr. School Taxes Captured	677,949	723,697		780,748	836,940	894,296	947,814	1,001,574	
43 Cumulative Total Incremental Taxes Captured	1,733,529	1,900,289		2,080,773	2,262,867	2,448,643	2,633,169	2,820,523	
44 Annual Taxes Available for Reimbursement	305,431	186,760		180,484	184,094	187,776	190,507	193,276	3,000,316
45 Cumulative Taxes Captured for Reimbursement	1,733,529	1,900,289		2,080,773	2,262,867	2,448,643	2,633,169	2,820,523	
46 Eligible Costs (\$29,600 DEQ + \$549,524 MEGA + DEQ \$1M Loan with Int.)									
47 Simple Interest Accrued	7,035								1,655,210
48 Unreimbursed Eligible Costs and Interest	1,614,252	1,410,822		1,344,061	1,063,577	879,484	691,708	511,201	1,488,770
49 Cost Reimbursements Paid	125,482								
50 Interest Paid	77,949	166,760		180,484	184,094	187,776	190,507	193,276	1,655,210
51 Ending Unreimbursed Costs									1,345,336
52 Ending Accrued Interest	1,410,822	1,244,061		1,063,577	879,484	691,708	511,201	143,434	
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Exhibit S

21945587.1

Kirsch p.19

**MINUTES OF MEETING OF THE BOARD OF DIRECTORS OF
MICHIGAN MAGNET FUND**

January 19, 2011

A meeting of the Board of Directors of Michigan Magnet Fund, a Michigan non-profit corporation ("**MMF**" or the "**Corporation**") on behalf of itself and a manager of the following limited liability companies and subsidiary CDE's: Michigan Magnet Fund A, LLC; Michigan Magnet Fund B, LLC; Michigan Magnet Fund C, LLC; Michigan Magnet Fund D, LLC; Michigan Magnet Fund E, LLC; Michigan Magnet Fund F, LLC; Michigan Magnet Fund G, LLC; Michigan Magnet Fund H, LLC; Michigan Magnet Fund I, LLC; Michigan Magnet Fund J, LLC; MMF AA CDE, LLC; MMF BB CDE, LLC; MMF CC CDE, LLC; MMF DD CDE, LLC; MMF EE CDE, LLC; MMF FF CDE, LLC; MMF HH CDE, LLC; MMF JJ CDE, LLC; and MMF KK CDE, LLC was held on January 19, 2011 via teleconference. The following Board members participated: Ted Rozeboom ("**Rozeboom**"), Loomis, Ewert, Parsley, Davis & Gotting P.C., Mary King as proxy for Dave Blaszkiewicz ("**Blaszkiewicz**"), Detroit Investment Fund; Karl Dorshimer ("**Dorshimer**") Lansing EDC, JoAnn Crary ("**Crary**"), Saginaw Future, Inc., Albert Bogdan as proxy for Mark Morante ("**Morante**") MEDC, Jeff Sykes ("**Sykes**"), MSHDA, Mark McDaniel ("**McDaniel**"), Great Lakes Capital Fund; Richard Hosey ("**Hosey**"), Bank of America, Kara Wood ("**Wood**"), City of Grand Rapids, K. Scott Flemming ("**Flemming**"), Lansing EDC. Jason Paulateer ("**Paulateer**"), PNC CDC; Dennis West ("**West**"), Northern Initiatives and Tim Herman ("**Herman**"), Genesee Regional Chamber of Commerce. The following guests also participated: Albert Bogdan ("**Bogdan**"), Charles A. Fiedler ("**Fiedler**"), Rick Labor ("**Labor**") and Jacob Horner ("**Horner**").

Bogdan organized the agenda for the meeting and assembled a Board Package (the "**Package**") which was distributed to the Board members via the Corporation's secured web page. It was determined that a quorum (at least eight members) was present and the meeting was called to order at 4:00 p.m. and hearing no objection, commenced with the meeting.

I. APPROVAL OF AGENDA

The first order of business was approval of the agenda. Upon motion duly made, seconded and unanimously adopted the agenda was approved.

II. APPROVAL OF MINUTES

The next order of business was the approval of minutes from the prior Board meeting. Upon motion duly made by Wood, seconded by Herman and unanimously adopted, it was:

BE IT RESOLVED, that the minutes from the December 17, 2010 Board of Directors meeting are approved.

III. FINANCIAL REPORT

The next order of business was the financial statement as of December 31, 2010. Labor presented a draft unaudited income statement and balance sheet for the Corporation. No action was required or taken.

IV. HEART OF THE CITY HEALTH CENTER PROJECT- NMTC PROJECT FINANCING AND RELATED ACTIONS

The next order of business was resolution to transfer \$9,000,000 of NMTC sub-allocation to the MMF EE CDE to provide \$8,775,000 in QLICI loans to the Heart of the City Health Center in Grand Rapids, Michigan. Following discussion and upon motion duly made by Wood, seconded by McDaniel, and unanimously adopted (Paulateer abstaining), it was:

A. Background

WHEREAS, Michigan Magnet Fund (the “*Corporation*”), is a Michigan nonprofit corporation, organized on a directorship basis and tax-exempt under Sections 501(c)(3) and 509(a) of the Internal Revenue Code of 1986, as amended (the “*Code*”); and

WHEREAS, the Fifth Amended and Restated Bylaws of the Corporation provide for a Board of Directors, Officers, and an Executive Committee and sets forth their duties and authority; and

WHEREAS, the Corporation has been certified as a Community Development Entity (“*CDE*”) under Section 45D of the Code by the Community Development Financial Institutions (“*CDFI*”) Fund; and

WHEREAS, on November 3, 2009, MMF EE CDE, LLC (“*MMF CDE*”) was formed as a Michigan limited liability company by filing Articles of Organization pursuant to Act Number 23 of the Michigan Public Acts of 1993, as amended (the “*MI LLC Act*”); and

WHEREAS, as of November 3, 2009, an initial Operating Agreement for MMF CDE was entered into by and between the Corporation and AAB Development Strategies, LLC, a Michigan limited liability company (the “*Withdrawing Member*”), as the initial members; and

WHEREAS, MMF CDE has been certified as a CDE by the CDFI Fund; and

WHEREAS, the Corporation is the managing member of MMF CDE; and

WHEREAS, effective January 12, 2010, the Corporation entered into a New Markets Tax Credit (“*NMTC*”) Allocation Agreement (the “*MMF Allocation Agreement*”), as amended, whereby the Corporation received an allocation of new markets tax credits under Section 45D of the Code from the CDFI Fund in the seventh round of the NMTC program (CY 2009) in amount of \$60,000,000 (the “*MMF NMTC Allocation*”); and

WHEREAS, the MMF Allocation Agreement requires that the Corporation invest in qualified projects within the State of Michigan and which meet other economic development and job creation criteria established by the Corporation.

B. Description of the Project

WHEREAS, Cherry Stone LLC ("**Cherry Stone**"), a Michigan limited liability company, is a wholly owned subsidiary of Heart of the City Health Center, a Michigan nonprofit corporation ("**HOTCHC**") and a disregarded entity for federal income tax purposes; and

WHEREAS, HOTCHC is owned by Cherry Street Services, Inc. d/b/a Cherry Street Health Services, a Michigan nonprofit corporation ("**Cherry Street**") and Touchstone innovare, a Michigan nonprofit corporation ("**Touchstone**"; and together with Cherry Street, the "**Sponsors**"; and

WHEREAS, HOTCHC is a "qualified active low income community business" (as such term is defined in under Section 45D of the Code) (the "**QALICB**"); and

WHEREAS, Cherry Stone intends new construction of an approximately 80,000 square foot two-story building and supportive approximately 420-space parking structure to consolidate the operations of three non-profit community-based health care providers, being Cherry Street, Touchstone and Proaction Behavioral Health Alliance, to provide a blend of primary health care, dental, pharmacy, mental and behavioral health services all within a single facility and located on certain real property with an address of 100 Cherry Street S.E., Grand Rapids, Michigan 49503 (the "**Project**"), which Project is designed to provide a minimum of 141 new jobs; and

WHEREAS, the Project is located in a designated Brownfield site and Cherry Stone desires to obtain the benefit of the Brownfield credit available upon completion of the Project; and

WHEREAS, the Corporation has entered into a Reservation Letter with Cherry Street (the "**Reservation Letter**"), as amended to reserve a total of Nine Million Dollars (\$9,000,000) of the MMF NMTC Allocation to the MMF CDE for the Project providing that certain terms and conditions be met; including but not limited to conditions related to timing of payment of "qualified equity investments" (as such term is defined in Section 45D of the Code) ("**QEI**") to MMF CDE and qualified low-income community investment (as such term is defined in Section 45D of the Code) (the "**QLICF**") in the QALICB; and

WHEREAS, the proposed Project is located within United States population census tract number 26081002100 which is a "qualified low income community" (as such term is defined under Section 45D of the Code) and eligible for NMTC and must meet the investment criteria as set forth in the MMF Allocation Agreement, including flexible rate and terms, and other economic development and job creation criteria established by the Corporation; and

WHEREAS, HOTCHC and Cherry Stone, jointly and severally (collectively, the "**Borrowers**") have determined that it is desirable and in the best interests of the Borrowers and the Project to procure financing to complete development and construction of the Project from an investor and lenders (the "**Project Financing**"; and

WHEREAS, Touchstone will enter into a State law ground lease of the real property to HOTCHC; and

WHEREAS, HOTCHC will enter into a State law ground lease of the real property to Cherry Stone, and

WHEREAS, the MMF CDE is a subsidiary allocatee and is a party to the MMF Allocation Agreement; and

WHEREAS, on or about January 26, 2011 (the “*Closing Date*”), HOTCHC Investment Fund LLC, a Delaware limited liability company (the “*Fund*”) will use the proceeds of a leverage loan of approximately \$6,578,342 from Sponsors and an equity contribution of approximately \$2,421,658 from PNC New Markets Investments Partners, LLC (“*NMP*”), with the proceeds of an equity investment into NMI from PNC Bank, National Association, a national banking association (“*PNC*”) to make a QEI in MMF CDE in the amount of \$9,000,000; and

WHEREAS, the QEI from MMF CDE in the aggregate amount of approximately \$9,000,000 will be used to fund a QLICI loan by the MMF CDE. Specifically, on the Closing Date, MMF CDE will advance QLICI loan proceeds in the aggregate amount of \$8,775,000 to the Borrowers represented by QLICI Loan Note (Tranche A) in the approximate amount of \$5,867,868, QLICI Loan Note (Tranche B) in the approximate amount of \$710,474 and QLICI Loan Note (Tranche C) in the approximate amount of \$2,196,658, collectively the “*Notes*”; and

WHEREAS, on the Closing Date, 100% of the QLICI loan proceeds will be directed to Cherry Stone and HOTCHC for uses in connection with the Project; and

WHEREAS, in connection with the Project Financing, the Borrowers will obtain an unsecured direct loan from the Sponsors in the amount of approximately \$9,450,147 (the “*Sponsor Loan*”); and

WHEREAS, in connection with the Project Financing, the Corporation will enter into a Loan Disbursement Servicing Agreement (the “*Disbursing Agreement*”), which provides, in relevant part, for the Bank to act as disbursing agent of MMF CDE for the QLICI loan; and

WHEREAS, in connection with the Project Financing, the servicing of the QLICI loan will be conducted by Great Lakes Capital Fund (“*GLCF*”) pursuant to a Servicing Agreement between the Corporation and GLCF (the “*Servicing Agreement*”); and

WHEREAS, in connection with the Project Financing, a subordination agreement (the “*Subordination Agreement*”) will be entered into by and among the Borrowers, MMF CDE, and the Sponsors, which provides, in relevant part, that upon default the MMF CDE Loan will be first priority. However, the Loan Agreement, the Mortgages (as defined in the Loan Agreement) and the Security Agreement (as defined in the Loan Agreement) will require the subordination of QLICI Loan Note (Tranche B) and QLICI Loan Note (Tranche C) of the QLICI Loan upon payment of the QLICI Loan Note (Tranche A).

WHEREAS, the parties have certified that the QLICI loan to the Borrowers meet the flexible terms requirements of the MMF Allocation Agreement; and

WHEREAS, upon the issuance by the Michigan Economic Growth Authority of the Michigan Business Tax Brownfield Redevelopment Credit Certificate of Completion for Cherry Stone under Section 208.147 of the Michigan Business Tax Act, Cherry Stone will be dissolved and all rights, asset and liabilities of the Project will be transferred to HOTCHC which will then become the sole Borrower and continue as the QALICB, which event is to occur on or before June 30, 2012; and

WHEREAS, in connection with the Project Financing, the Corporation will receive certain fees to include: (i) asset management fee of 2.5% of the MMF CDE QEI; (ii) an annual new markets compliance fee of 0.6% based on MMF CDE QEI payable monthly, (iii) audit and tax fee of \$13,000 per year payable in the first quarter; (iv) payment of extraordinary expenses; (v) a loan servicing fee of \$13,162.50 per annum payable monthly at \$1,096.87 per month; and (vii) closing costs, all of which will be evidenced by the Fee Agreement (MMF CDE) (the "*Fee Agreement*") and other agreements signed by the party to be bound and in the case of the foregoing items (ii) and (iii), will be guaranteed by the Sponsors; and

WHEREAS, PNC will act as a disbursing agent for the Corporation and all disbursements will need to be approved by the Corporation; and

WHEREAS, HOTCHC has offered to make a donation in an amount based on the increase in value of the Project upon completion of the seven-year NMTC compliance period to the Michigan Magnet Fund's Economic Development Fund which will evidenced by the Fee Agreement.

C. Transfer of Sub-Allocation to the Project

WHEREAS, based on the foregoing, the Corporation is willing to sign on behalf of itself and as managing member of MMF CDE a Sub-Allocation Agreement (MMF CDE) (the "*Sub-Allocation Agreement*") and sub-allocate the amount of \$9,000,000 of the Corporation's NMTC Allocation to MMF CDE (the "*Sub-Allocation*"); and

WHEREAS, the Corporation is willing to sign the MMF CDE Operating Agreement of MMF CDE and any related documents; and

WHEREAS, on or about the Closing Date, the Corporation shall make a capital contribution to MMF CDE in the approximate amount of \$900 into MMF CDE; and

WHEREAS, the Corporation is also willing to sign in its capacity as Managing Member of the MMF CDE, that certain QLCI Loan Agreement with the QALICB (the "*Loan Agreement*") and applicable related documents; and

WHEREAS, the Corporation wishes to authorize other actions in order to further the successful development and operation of the Project.

NOW, THEREFORE, the following Resolutions have been duly made, seconded and adopted:

IT IS RESOLVED, that the Corporation approves the Project and that MMF CDE shall be transferred a NMTC Allocation in the amount of \$9,000,000; and

IT IS FURTHER RESOLVED, that the Corporation is authorized and affirmed to participate in and act as the managing member of MMF CDE pursuant to the MMF CDE Operating Agreement and to acquire and hold up to a 0.01% interest in MMF CDE pursuant to the MMF CDE Operating Agreement; and

IT IS FURTHER RESOLVED, that the Sub-Allocation Agreement which transfers the amount of \$9,000,000 of MMF's NMTC Allocation to MMF CDE, is in all respects approved and adopted; and

IT IS FURTHER RESOLVED, that any one Officer or member of the Executive Committee, is authorized, on behalf of the Corporation, as the managing member of MMF CDE, any time after the adoption of this resolution and outside further action by or authority or direction from the Board of Directors of the Corporation, to execute all necessary documents and to take such other acts as may be necessary, convenient or appropriate to accomplish the actions envisioned above, including but not limited to the MMF CDE Operating Agreement, the Indemnification Agreement, the Loan Agreement, the Subordination Agreement, the Environmental Indemnity Agreement, the Fee Agreement, the Disbursing Agreement, and any other documents thereto and in general, to effectuate the Corporation's desire to support and participate in the Project; and

IT IS FURTHER RESOLVED, that any one Officer or member of the Executive Committee, is also authorized, on behalf of the Corporation, as managing member of MMF CDE, to negotiate and make such changes and modifications in documents, and actions envisioned above, including the dollar amounts (as long as the amount of the NMTC transfer to MMF CDE, is not changed, except for an increase of up to 10% based on financial projections) and to execute and deliver such further instruments, certificates, term sheets, reservation letters and documents as they shall determine to be necessary, appropriate or desirable to carry out the intent of these resolutions with respect to any aspect of the Corporation's participation in the Project, any such determination to be conclusively presumed by the doing and performing of any act or thing, or the preparing and executing of any such instrument, certificate, term sheet, reservation letter or document, and any actions taken with respect thereto are hereby ratified and affirmed by the Board of Directors of the Corporation; and

IT IS FURTHER RESOLVED, that the Chief Business Development Officer is authorized to approve all disbursements after inspection, review and recommendation by PNC; and

IT IS FURTHER RESOLVED, that the foregoing resolutions replace in their entirety all prior resolutions of the Board of Directors with regard to the subject matter hereof; and

IT IS FURTHER RESOLVED, that if the Project Financing does not close by the February 28, 2011, the Corporation may, in its sole discretion, withdraw its Sub-Allocation whereupon the Corporation and MMF CDE will have no further obligations in connection with the Project Financing.

**V. LOFTS ON LUDINGTON PROJECT - NMTC PROJECT
FINANCING AND RELATED ACTIONS**

The next order of business was the Lofts on Ludington Project. Bogdan reported that this mixed use project was ready to close when the tax credit investor (UPS) recruited by Enhanced Capital (EHC), the syndicator, withdrew from the Project without giving any reasons or notice. Bogdan reported that the MMF has recruited The Bank of Holland (TBOH) to provide the Federal NMTC and Federal Historic Tax Credit investment. EHC will provide the State tax credit investment. We are awaiting the final financial projections from Plante Moran. The developer, bank and the MMF have worked to change the numbers to make them work. All professionals have agreed to cap their costs, EHC has dropped their fee, and the consultant hired by the developer has agreed to a substantial cut in fees. TBOH increased contingencies and reserves to protect their investment and have agreed to accelerate their tax credit payments. The end result is that we have been able to reduce total cost and accelerate payments. TBOH would like to close this month. Following discussion and upon motion duly made by McDaniel, seconded by Paulateer, and unanimously adopted (Rozeboom and Sykes abstaining), it was:

A. Background

WHEREAS, Michigan Magnet Fund (the “*Corporation*”), is a Michigan nonprofit corporation, organized on a directorship basis and tax-exempt under Sections 501(c)(3) and 509(a) of the Internal Revenue Code of 1986, as amended (the “*Code*”); and

WHEREAS, the Fifth Amended and Restated Bylaws of the Corporation provide for a Board of Directors, Officers, and an Executive Committee and sets forth their duties and authority; and

WHEREAS, the Corporation has been certified as a Community Development Entity (“*CDE*”) by the Community Development Financial Institutions (“*CDFI*”) Fund; and

WHEREAS, on November 3, 2009, MMF BB CDE, LLC (“*MMF CDE*”) has been formed as a Michigan limited liability company by filing Articles of Organization pursuant to Act Number 23 of the Michigan Public Acts of 1993, as amended (the “*MI LLC Act*”); and

WHEREAS, MMFCDE has been certified as a CDE by the CDFI Fund; and

WHEREAS, the Corporation is the managing member of MMFCDE; and

WHEREAS, as of November 3, 2009, an initial Operating Agreement for MMFCDE pursuant to MI LLC Act was entered into by and between the Corporation and AAB Development Strategies, LLC, a Michigan limited liability company (the “*Withdrawing Member*”), as the initial members; and

WHEREAS, effective January 12, 2010, the Corporation entered into a New Markets Tax Credit Allocation Agreement (the “*MMF Allocation Agreement*”), as amended, whereby the Corporation received an allocation of new markets tax credits (“*NMTC*”) under Section 45D of the Code, as amended from the CDFI Fund in the seventh round of the NMTC program (CY 2009) in amount of \$60,000,000 (the “*MMF NMTC Allocation*”); and

WHEREAS, the MMF Allocation Agreement requires that the Corporation invest in qualified projects within the State of Michigan and which meet other economic development and job creation criteria established by the Corporation; and

B. Description of the Project

WHEREAS, Lofts Owner, LLC, a Michigan limited liability company, is the qualified low-income community business (as such term is defined in Section 45D of the Code) (the "**QLICB**") and master lessor of the Delta building intended for mixed-use rehabilitation of historic building consisting of approximately 4,178 square feet of commercial retail space and approximately 15,644 square feet of residential facilities composing 15 residential units located at 1615 Ludington Street, City of Escanaba, Michigan 49829 (the "**Project**"); and

WHEREAS, Swanee, Inc., a Michigan corporation ("**Sponsor**"), is the sponsor of the Project; and

WHEREAS, the QLICB has determined that it is desirable and in the best interests of the QLICB and the Project to procure financing to complete development and construction of the Project from investors and lenders in the approximate amount of \$5,000,000 (the "**Project Financing**"), including loans and equity investments with favorable terms from MMFCDE through the NMTC program; and

WHEREAS, the Corporation has entered into a Reservation Letter with the QLICB (the "**Reservation Letter**") to reserve a total of Three Million Eight Hundred Thousand Dollars (\$3,800,000) of the MMF NMTC Allocation to the MMFCDE for the Project providing that certain terms and conditions be met, including but not limited to conditions related to timing of payment of "qualified equity investments" (as such term is defined in Section 45D of the Code) ("**QEI**") to MMFCDE and qualified low-income community investment (as such term is defined in Section 45D of the Code) (the "**QLICI**") in the QLICB; and

WHEREAS, to facilitate the Project Financing following the unexpected withdraw of NMTC and Federal Historic Tax Credit investor which delayed the closing of the Project Financing, the Board of Directors approved an additional \$200,000 of MMF's NMTC Allocation to a total of \$4,000,000 for the Project Financing which increase has been accepted by the Sponsor; and

WHEREAS, the proposed Project is located within United States population census tract number 26041971000 which is a "qualified low income community" (as such term is defined in Section 45D of the Code) and eligible for NMTC and must meet the investment criteria as set forth in the MMF Allocation Agreement by having an area median family income that does not exceed 70% of statewide median income and being located in a nonmetropolitan Area census tract and other economic development and job creation criteria established by the Corporation; and

WHEREAS, the MMF CDE is a subsidiary allocatee and is a party to the MMF Allocation Agreement; and

WHEREAS, in connection with the Project Financing the Corporation will receive certain fees to include: (i) asset management fee of 2.5% of the MMF CDE QEI; (ii) a 0.6% new markets compliance fee based on MMFCDE QEI, (iii) audit and tax fee of \$13,000 per year; (iv) payment of extraordinary expenses; (v) a donation by the QLICB to the Corporation in the amount of \$75,000 payable \$15,000 per year over a term of five years starting at the end of the Tax Credit Investment Period (as defined below), and (vi) closing costs; all of which will be evidenced by the CDE Payment Agreement; and

WHEREAS, Lofts on Ludington Investment Fund, LLC, a Delaware limited liability company (the “*Investment Fund*”) is the investment fund formed for the Project; and

WHEREAS, Lofts Manager, LLC, a Michigan limited liability company (the “*Manager*”), whose manager is the Developer, is the sub master tenant of the Project; and

C. Transfer of Sub-Allocation to the Project

WHEREAS, in order to facilitate closing of the Project Financing, the Bank of Holland, a subsidiary of Lake Michigan Financial Corp. or one or more of its affiliates and/or nominees (the “*Investor*”) is willing to participate in the Project Financing as the NMTC and Federal Historic Tax Credit equity investor which along with the increased NMTC Allocation and an increase in State Tax Credit equity will require a new set of the Financial Projections for the Project Financing (the “*Financial Projections*”) with such Financial Projections, subject to review and approval by the Corporation; and

WHEREAS, Manager has agreed to make loans to the Investment Fund in the initial principal amount of \$1,500,000 (or such other amount as set forth in the Financial Projections) (“*Leverage Loan #1*”) and in the initial principal amount of \$525,000 (“*Leverage Loan #2*”); and Developer has agreed to make loans to the Investment Fund in the principal amount of \$240,000 (“*Leverage Loan #3*”), in the initial principal amount of \$525,000 (“*Leverage Loan #4*”), and in the initial principal amount of \$36,700 (or such other amount as set forth in the Financial Projections) (“*Leverage Loan #5*”) (collectively, the “*Leverage Loans*”). The original source of the Leverage Loans are federal and state funds provided to the City of Escanaba, Michigan municipal corporation (the “*City*”) and a \$1,500,000 (or such other amount as set forth in the Financial Projections) loan from First Bank, Upper Michigan, a Michigan banking corporation (“*First Bank*”); and

WHEREAS, the Leverage Loans are evidenced by the Leverage Loan Agreement (the “*Leverage Loan Agreements*”) and are subject to the terms of an Upper-Tier Intercreditor Agreement which sets forth the priority among the Leverage Loans (the “*Intercreditor Agreement*”); and

WHEREAS, the Leverage Loans are further evidenced by Leverage Loan Note #1, Leverage Loan Note #2, Leverage Loan Note #3, Leverage Loan Note #4, and Leverage Loan Note #5 (collectively, the “*Leverage Loan Promissory Notes*”); and

WHEREAS, the Investor will make an equity investment in the Investment Fund of \$1,173,300 to include NMTC equity of \$1,014,000 and an initial Federal Historic Tax Credit

equity of \$159,300 (or such other amount as set forth in the Financial Projections) (the “*Initial Equity Investment*”); and

WHEREAS, the Investment Fund will use the proceeds of the Leverage Loans in the aggregate sum of \$2,826,700 together with the Initial Equity Investment to make one or more “qualified equity investments” within the meaning of Section 45D of the Code (the “*QEI*”) in MMF CDE in the amount of \$4,000,000 in MMF CDE in exchange for a 99.99% membership interest in MMF CDE (the “*CDE Membership Interest*”) of which \$100,000 will be used by MMF CDE to pay an Asset Management Fee to the Corporation, leaving a balance of \$3,900,000 for making a QLICI; and

WHEREAS, Leverage Loan #1 shall be reduced by an equity investment by Enhanced Tax Credit Holding, LLC, a Louisiana limited liability company (“*ETCH*”) attributed to State Historic Tax Credit Equity and equity investment by the Investor attributed to Federal Historic Tax Credit Equity as set forth in the Financial Projections and by increasing Leveraged Loan #5 as set forth in the Financial Projections, for total reduction of \$1,210,000 to \$290,000 with such repayments dollar for dollar used to reduce the loan from the Manager who in turn will reduce the loan from First Bank; and

WHEREAS, the Investment Fund under each of the Pledge Agreements, will grant with respect to each corresponding Leverage Loan a security interest in and lien on the Investment Fund’s right, title and interest in and to one hundred percent (100%) of the CDE Membership Interest, now owned or hereafter acquired; and

WHEREAS, the relative priority of the security interest in the CDE Membership Interest is governed by the Intercreditor Agreement executed by the Manager, Developer, and the Investment Fund; and

WHEREAS, Lofts Master Tenant, LLC, a Michigan limited liability company (the “*Tenant*”), is the master lessee of the Project; and

WHEREAS, in order to further facilitate the Project Financing, the Corporation has agreed to become a non-managing member of the Investment Fund pursuant to the terms of an Operating Agreement which includes indemnification of the Corporation and its officers, directors and agents; and

WHEREAS, in order to further facilitate the Project Financing, the Corporation as managing member of the MMFCDE has agreed that the MMFCDE shall become a non-managing member of the Tenant and that the MMFCDE shall at closing make a QLICI equity contribution in the Tenant as set forth in the Financial Projections that will keep its equity investment in the QALICB to less than 50% and

WHEREAS, in order to further facilitate the Project Financing and operation of the Project, the Corporation has also agreed as managing member of the MMFCDE to five QLICI loans made by MMFCDE to the QLICB in an aggregate amount up to \$3,615,000 (or such other amount as set forth in the Financial Projections), in the amounts as set forth in this paragraph (or such other amounts as set forth in the Financial Projections): (i) a loan from the MMFCDE in the initial principal amount of \$1,500,000 (the “*CDE A Loan*”) which upon completion of

construction will be reduced by \$1,210,000 to \$290,000 by direct or indirect investment of State and Federal Tax Credit equity, (ii) a loan from the MMFCDE in the initial principal amount of \$525,000 (the “*CDE B Loan*”), (iii) a loan from the MMFCDE in the aggregate principal amount of \$240,000 (the “*CDE C Loan*”), (iv) a loan from the MMFCDE in the initial principal amount of \$525,000 (the “*CDE D Loan*”) and (v) a loan from the MMFCDE (the “*CDE E Loan*”) which will increase upon completion of construction after the availability of Federal and State Tax Credit equity in order to permit the reduction of CDE A Loan to \$290,000. The CDE A Loan, the CDE B Loan, the CDE C Loan, the CDE D Loan, and CDE E Loan are referred to herein, collectively, as (the “*CDE Loans*”), and are evidenced by that certain CDE Loan Agreement which provides for standard and customary terms for a construction project, including provisions regarding insurance and indemnification of the Corporation (including officers, directors and agents) and MMFCDE, (the “*CDE Loan Agreement*”) and are subject to a CDE Subordination Agreement which sets forth the priority among the CDE Loans (the “*Subordination Agreement*”); and

WHEREAS, the CDE Loans are further evidenced by CDE Note A, CDE Note B, CDE Note C, CDE Note D and CDE Note E dated as of even date herewith (the “*CDE Notes*”) between MMFCDE and the QLICB with respect to the CDE Loans (collectively the “*CDE Promissory Notes*”) and related documents; and

WHEREAS, in connection with the Project Financing, the Corporation will enter into a First Amended and Restated Operating Agreement (the “*MMFCDE Operating Agreement*”); pursuant to the terms of an Operating Agreement which includes indemnification of the Corporation and its officers, directors and agents; and

WHEREAS, in connection with the Project Financing, the Corporation will enter into a Servicing Agreement, which provides, in relevant part, for First Bank, to act as servicer of the CDE Loans for a fee paid by the QLICB; and

WHEREAS, in connection with the Project Financing, the Corporation will enter into a Disbursing Agreement, which will be entered into by and between the Corporation, the QLICB, the City and First Bank which provides, in relevant part, for First Bank, to act as disbursing agent of the CDE Loans, subject to City approval with regard to compliance with governmental requirements; and

WHEREAS, the Corporation as managing member of the MMFCDE is willing to sign an Operating Agreement whereby the MMFCDE becomes a non-managing member of Tenant; and

WHEREAS, based on the foregoing, the Corporation is willing to sign on behalf of itself and as managing member of MMFCDE a NMTC Transfer Agreement transferring the amount of \$4,000,000 of the Corporation’s NMTC Allocation to MMFCDE; and

WHEREAS, the Corporation is willing to sign the MMFCDE Operating Agreement by and among the Corporation, the Investment Fund and Withdrawing Member and any related documents; and

WHEREAS, the Corporation is also willing to sign in its capacity as managing member of the MMFCDE, the CDE Loan Agreement, CDE Notes and applicable related loan documents; and

WHEREAS, the Corporation is also willing to sign, on behalf of itself and in its capacity as managing member of the MMFCDE, a CDE Recapture Indemnity, in favor of ETCH (the "*CDE Recapture Indemnity*") and applicable related documents; and

D. Indemnification

WHEREAS, on February 9, 2006, the Board of Directors of the Corporation approved a policy on indemnification by the Corporation for gross negligence, willful misconduct and fraud which included a cap on monetary damages to fees paid or to be paid to the Corporation in connection with participation in a NMTC project; and

WHEREAS, the Investor in connection with the Project, requires unlimited indemnification by the Corporation and MMFCDE for the gross negligence, fraud, willful misconduct, malfeasance, material violation of any law, breach of any material provision of the MMFCDE Operating Agreement or any material breach of the representations contained in the MMFCDE Operating Agreement (collectively, the "*Bad Acts*"); and

WHEREAS, the Corporation's liability for any other acts or omissions other than Bad Acts will remain capped at the sum of fees paid or to be paid to the Corporation in connection with participation in the Project; and

E. Exit and Donation

WHEREAS, at the end of the Tax Credit Investment Period (as defined in the MMFCDE Operating Agreement), Leverage Loan #1 will have a remaining principal balance as set forth in the Financial Projections; Leverage Loan #2 will have a remaining principal balance of \$525,000 (or such other amount as set forth in the Financial Projections); Leverage Loan #3 will have a remaining principal balance of \$240,000 (or such other amount as set forth in the Financial Projections); Leverage Loan #4 will have a remaining principal balance of \$525,000 (or such other amount as set forth in the Financial Projections) and Leverage Loan #5 will have a remaining principal balance as set forth in the Financial Projections; and

WHEREAS, pursuant to the Option Agreement between Sponsor and Investor (the "*Option Agreement*"), the Sponsor has the right to purchase the Investor's membership interest in the Investment Fund thereby becoming the 100% member and manager of the Investment Fund (replacing the Corporation as manager); and

WHEREAS, following the end of the Tax Credit Investment Period pursuant to Section 8.06 of the MMFCDE Operating Agreement, the Corporation as manager of the MMFCDE, in its sole discretion may cause the MMFCDE to redeem the Investment Fund's membership interest. Pursuant to Section 11.10 of the MMFCDE Operating Agreement, the MMFCDE may be dissolved upon the request of the Corporation; and

WHEREAS, it is expected that MMFCDE will elect to dissolve itself as described above, and liquidate its assets and that the Investment Fund will assume MMFCDE's interest under the CDE A Loan, CDE B Loan, CDE C Loan, CDE D Loan and CDE E Loan and that the Sponsor, as manager, will then dissolve the Investment Fund; and

WHEREAS, upon dissolution of MMFCDE and Investment Fund as described above, then Investment Fund will satisfy its obligation to the Sponsor and the Manager under the Leverage Loans by assigning MMFCDE's rights with regard to the CDE Loans and to further assign its rights pursuant to the CDE Note and related loan documents to the Sponsor and the Manager; and

WHEREAS, the Corporation wishes to authorize other actions in order to further the successful development and operation of the Project.

NOW, THEREFORE, the following Resolutions have been duly made, seconded and adopted:

IT IS RESOLVED, that the Corporation approves the Project and that MMFCDE shall be transferred a NMTC Allocation in the amount of \$4,000,000; and

IT IS FURTHER RESOLVED, that the Corporation is authorized and affirmed to participate in and act as the managing member of MMFCDE pursuant to the MMFCDE Operating Agreement and to acquire for \$400 and to hold up to a 0.01% interest in MMFCDE pursuant to the MMFCDE Operating Agreement; and

IT IS FURTHER RESOLVED, that the Corporation is authorized and affirmed to participate in and act as the managing member of the Investment Fund pursuant to the Operating Agreement of the Investment Fund which provides for a management fee of \$6,500 per year (or such other amount as set forth in the Financial Projections) plus any required audit and tax fee; and

IT IS FURTHER RESOLVED, that the Chief Business Development Officer is authorized to approve all disbursements after inspection, review and commendation by First Bank; and

IT IS FURTHER RESOLVED, that the MMFCDE is authorized and affirmed to participate in and act as the non-managing member of the Tenant pursuant to the Operating Agreement of the Tenant and to acquire and hold up to a 100% interest in the Tenant pursuant to the MMFCDE Operating Agreement; and

IT IS FURTHER RESOLVED, that the NMTC Transfer Agreement which transfers the amount of \$4,000,000 of MMF's NMTC Allocation to MMFCDE is in all respects approved and adopted; and

IT IS FURTHER RESOLVED, that any one Officer or member of the Executive Committee, is authorized, on behalf of the Corporation, as the managing member of MMFCDE and as manager of the Investment Fund, any time after the adoption of this resolution and outside further action by or authority or direction from the Board of Directors of the Corporation, to

execute all necessary documents and to take such other acts as may be necessary, convenient or appropriate to accomplish the actions envisioned above, including but not limited to the MMFCDE Operating Agreement, the Operating Agreement of the Master Tenant, the Operating Agreement of the Investment Fund, the CDE Recapture Indemnity, the CDE Loan Agreement, the Leverage Loan Agreements, the Leverage Loan Promissory Notes, Security Agreement, Bank Account Pledge Agreement, Bank Account Control Agreement, Assignment of Project Documents, Environmental Indemnity Agreement, Disbursing Agreement, Servicing Agreement, Completion Guaranty, the CDE Payment Agreement, the Intercreditor Agreement, the Subordination Agreement and any other documents thereto and in general, to effectuate the Corporation's desire to support and participate in the Project; and

IT IS FURTHER RESOLVED, that any one Officer or member of the Executive Committee, is also authorized, on behalf of the Corporation, as managing member of MMFCDE and as manager of the Investment Fund, to negotiate and make such changes and modifications in documents, and actions envisioned above, including the dollar amounts (as long as the amount of the NMTC transfer to MMFCDE, is not changed, except for an increase of up to 10% based on financial projections) and to execute and deliver such further instruments, certificates, and documents as they shall determine to be necessary, appropriate or desirable to carry out the intent of these resolutions with respect to any aspect of the Corporation's participation in the Project, any such determination to be conclusively presumed by the doing and performing of any act or thing, or the preparing and executing of any such instrument, certificate or document, and any actions taken with respect thereto are hereby ratified and affirmed by the Board of Directors of the Corporation; and

IT IS FURTHER RESOLVED, that approval by the Board of Directors of the foregoing actions is contingent upon a closing with the QLICB by February 28, 2011.

VI. WHIRLPOOL CORPORATION NEW HEADQUARTERS- TRANSFER OF \$19,000,000 of NMTC ALLOCATION

Bogdan reported the Whirlpool Project has been excruciating slow. The MMF had recruited two Federal NMTC investors (PNC and Chase) with substantial proposals with the full intent of closing in 2010. The leveraged debt was to be provided by Whirlpool Corporation. PNC offered MMF \$8 million of their own allocation to put toward this project. Both offered 74 cents for the NMTC equity purchase. The MMF had supported the PNC proposal since it would permit us to invest in an additional project. However, Whirlpool has not initiated discussions with the two parties until last week. Chase has increased the amount of their offer for the NMTC equity purchase. Whirlpool has indicated that they will make their decision by January 28, 2011. The proposed resolution to allow transfer of \$19,000,000 to the MMF DD CDE. Following discussion and upon motion duly made by Crary, seconded by Flemming, and unanimously adopted, it was:

A. Background

WHEREAS, Michigan Magnet Fund (the "*Corporation*"), is a Michigan nonprofit corporation, organized on a directorship basis and tax-exempt under Sections 501(c)(3) and 509(a) of the Internal Revenue Code of 1986, as amended (the "*Code*"); and

WHEREAS, the Fifth Amended and Restated Bylaws of the Corporation provide for a Board of Directors, Officers, and an Executive Committee and sets forth their duties and authority; and

WHEREAS, the Corporation has been certified as a Community Development Entity (“*CDE*”) by the Community Development Financial Institutions (“*CDFI*”) Fund; and

WHEREAS, on November 3, 2009, MMF DD CDE, LLC (“*MMFCDE*”) has been formed as a Michigan limited liability company by filing Articles of Organization pursuant to Act Number 23 of the Michigan Public Acts of 1993, as amended; and

WHEREAS, as of November 3, 2009, an initial Operating Agreement for MMFCDE was entered into by and between the Corporation and AAB Development Strategies, LLC, a Michigan limited liability company, as the initial members; and

WHEREAS, MMFCDE has been certified as a CDE by the CDFI Fund; and

WHEREAS, the Corporation is the managing member of MMFCDE; and

WHEREAS, effective January 12, 2010, the Corporation entered into a New Markets Tax Credit (“*NMTC*”) Allocation Agreement (the “*MMF Allocation Agreement*”), as amended, whereby the Corporation received an allocation of new markets tax credits under Section 45D of the Code from the CDFI Fund in the seventh round of the NMTC program (CY 2009) in amount of \$60,000,000 (the “*MMF NMTC Allocation*”); and

WHEREAS, the MMF Allocation Agreement requires that the Corporation invest in qualified projects within the State of Michigan and which meet other economic development and job creation criteria established by the Corporation.

B. Description of the Project

WHEREAS, Whirlpool QALICB, LLC (or such other name selected), a limited liability company to be formed (the “*QALICB*”), a “qualified active low income community business” (as such term is defined in under Section 45D of the Code) is an affiliate of Whirlpool Corporation, a Delaware corporation (the “*Sponsor*”); and

WHEREAS, QALICB will be the owner of approximately 13 acres of land located 660 West Main Street, City of Benton Harbor, Michigan, intended for construction of a 250,000 square foot office building which will serve as the new headquarters for the Sponsor expected to create or retain jobs within the State of Michigan (the “*Project*”); and

WHEREAS, the proposed Project is located within United States population census tract number 26021000400 which is a “qualified low income community” (as such term is defined under Section 45D of the Code) and eligible for NMTC and must meet the investment criteria as set forth in the MMF Allocation Agreement by being located in a census tract with poverty levels in excess of 30% and other economic development and job creation criteria established by the Corporation; and

WHEREAS, the Corporation has entered into a Reservation Letter with the Sponsor the “*Reservation Letter*”) to reserve a total of Twenty Five Million Dollars (\$25,000,000) of the MMF NMTC Allocation to the MMFCDE for the Project providing that certain terms and conditions be met; including but not limited to conditions related to timing of payment of “qualified equity investments” (as such term is defined in Section 45D of the Code) to MMFCDE and qualified low-income community investment (as such term is defined in Section 45D of the Code) in the QALICB; and

WHEREAS, an affiliate of PNC Bank, National Association (“*PNC*”), a national banking association, has offered to transfer a total of Eight Million Dollars (\$8,000,000) of their own NMTC allocation for the Project providing that certain terms and conditions be met which will allow the Corporation to reduce its reservation from \$25,000,00 to \$19,000,000; and

WHEREAS, the Sponsor has determined that it is desirable and in the best interests of itself, the QALICB and the Project to procure financing to complete development and construction of the Project from investors and lenders (the “*Project Financing*”), including loans and equity investments with favorable terms from the MMFCDE through the NMTC program; and

WHEREAS, the MMFCDE is a subsidiary allocatee and is a party to the MMF Allocation Agreement.

B. Transfer of MMF’s NMTC Allocation

WHEREAS, the Sponsor is currently negotiating with PNC and JPMorgan Chase Bank, N.A, a national banking association regarding the terms of the Project Financing; and

WHEREAS, pending a decision by the Sponsor as to the source, terms and conditions of the Project Financing such decision to be concurred with by the Corporation pursuant to the terms of the Reservation Letter, the Corporation desires to transfer \$19,000,000 of MMF’s NMTC Allocation to MMFCDE; and

WHEREAS, it is anticipated that upon a decision by the Sponsor as to the source, terms and conditions of the Project Financing, there will be a need for a supplement Board resolution to approve the Project Financing along with authorizations to further the closing of the Project.

IT IS RESOLVED, that the MMF transfer \$19,000,000 of MMF’s NMTC Allocation to MMFCDE; and

NOW, THEREFORE, the following Resolutions have been duly made, seconded and adopted:

IT IS RESOLVED, that the Corporation approves the Project and that MMF CDE shall be transferred a NMTC Allocation in the amount of \$10,000,000; and

IT IS FURTHER RESOLVED, that the Corporation is authorized and affirmed to participate in and act as the managing member of MMF CDE pursuant to the MMFCCCDE

Operating Agreement and to acquire and hold up to a 0.01% interest in MMF CDE pursuant to the MMFCCCDE Operating Agreement; and

IT IS FURTHER RESOLVED, that the Sub-Allocation Agreement which transfers the amount of \$10,000,000 of MMF's NMTC Allocation to MMF CDE, is in all respects approved and adopted; and

IT IS FURTHER RESOLVED, that any one Officer or member of the Executive Committee, is authorized, on behalf of the Corporation, as the managing member of MMF CDE, any time after the adoption of this resolution and outside further action by or authority or direction from the Board of Directors of the Corporation, to execute all necessary documents and to take such other acts as may be necessary, convenient or appropriate to accomplish the actions envisioned above, including but not limited to the MMFCCCDE Operating Agreement, the Indemnification Agreement, the Loan Agreement, the Intercreditor Agreement, the Environmental Indemnity Agreement, the Fee Agreement, the Disbursing Agreement, and any other documents thereto and in general, to effectuate the Corporation's desire to support and participate in the Project; and

IT IS FURTHER RESOLVED, that any one Officer or member of the Executive Committee, is also authorized, on behalf of the Corporation, as managing member of MMF CDE, to negotiate and make such changes and modifications in documents, and actions envisioned above, including the dollar amounts (as long as the amount of the NMTC transfer to MMF CDE, is not changed, except for an increase of up to 10% based on financial projections) and to execute and deliver such further instruments, certificates, term sheets, reservation letters and documents as they shall determine to be necessary, appropriate or desirable to carry out the intent of these resolutions with respect to any aspect of the Corporation's participation in the Project, any such determination to be conclusively presumed by the doing and performing of any act or thing, or the preparing and executing of any such instrument, certificate, term sheet, reservation letter or document, and any actions taken with respect thereto are hereby ratified and affirmed by the Board of Directors of the Corporation; and

IT IS FURTHER RESOLVED, that the Board of Directors of the Corporation approves an exemption to the Indemnification Policy whereby the Corporation's liability for Bad Acts and Qualification Failure in connection with the Project, shall allow unlimited indemnification for Bad Acts and Qualification Failure; and

IT IS FURTHER RESOLVED, that consistent with the Indemnification Policy, the Corporation's liability for acts and omissions other than Bad Acts and Qualification Failure shall continue to be capped at the sum of fees received or to be received in connection with the Project; and

IT IS FURTHER RESOLVED, that the foregoing resolutions replace in their entirety all prior resolutions of the Board of Directors with regard to the subject matter hereof; and

IT IS FURTHER RESOLVED, that if the Project Financing does not close by the March 31, 2011, the Corporation may, in its sole discretion, withdraw its Sub-Allocation

whereupon the Corporation and MMF CDE will have no further obligations in connection with the Project Financing.

VII. STATUS REPORTS AND RELATED ACTION

The next order of business was status reports and related actions.

A. Current Round Projects. Bogdan included in the Package a summary chart of current round projects which is pasted in its entirety below. Bogdan provided an update on each of these projects.

Project	Total Cost	Total QEI	MMF QEI	Status
Michigan Motion Picture Studio – Pontiac	\$59 million	\$59 million	\$12 million	MMPS received the film tax credit from the state permitting it provide the leveraged loan to the Investment Fund and permit MMF to transfer the QLICI to Michigan Motion Picture Studio.
Lofts on Ludington - Escanaba	\$5.1 million	\$4.0 million	\$4.0 million	Resolution provided to Board
Verso Quinnesec Alternative Energy Project - Quinnesec	\$49 million	\$32 million	\$10.0 million	Closed
Whirlpool –Benton Harbor	\$69 million	\$25 million	\$19 million	Resolution provided to Board
Heart of the City Health Center - Grand Rapids	\$26 million	\$9.0 million	\$9.0 million	Resolution provided to Board. On fast track - projections complete. Term Sheet to be completed - target close is 1/25/2011
Subtotal	\$207.1 million	\$129.0 million	\$54.0 million	

B. Prior Round Projects.

1. Studio One Project

Fiedler reported that settlement has been reached by Studio One Apartments, LLC (“*Studio One*”) in the Joseph Sciamanna construction lien litigation in the amount of \$125,000 to be paid \$60,000 by the Title Company and \$65,000 by Studio One. Payments will be made over the next three months and the construction lien will be released with the last payment. Under the terms of the settlement, Studio One will be allowed to pursue Mike Houseman for reimbursement of the \$65,000, but does not expect to collect much if anything. Since, Michigan Magnet Fund H, LLC is also a named defendant (along with Fifth Third Bank and Wayne State University) the Corporation, as manager of MMF H needs to sign the settlement documents. There are no settlement funds coming from MMF H or the Corporation, the President is authorized under general authority granted by the Board under the Bylaws to sign the settlement documents. No action was required or taken.

2. East Forest Art Project

Bogdan reported that the MMF has initiated meetings with East Forest Art Project (“*EFAP*”) to determine a course of action. EFAP did not receive any rent payment last year and has booked only two months of rent receivable from the Gallery. The EFAP now has a liquor license. The SEVA Restaurant is under construction using a loan from DIF and should open in March. The MMF has asked the bank to fund the state tax credit purchases directly to the CDE and has informed EFAP that the funds will not be released until the MMF has an indication as to when EFAP will be current with its debt service payments. The MMF has also informed EFAP that they need up to date financials and pro forma’s and that we will meet with them on a monthly basis to review financials and obtain assurances that payments are being made properly.

3. Kirsh Industry

This is a project approved by the Board for which we issued a Reservation Letter. The Developer never completed the full application and could not raise the necessary leveraged debt. We were originally told that the Developer would finance the leveraged debt. The Developer has been unresponsive to phone calls. After all of the milestones in the Reservation Letter had passed, we informed Mr. Bosgraaf that the Reservation has been terminated. The MMF has denied Mr. Bosgraaf’s request that his Reservation Fee be returned. .

4. Pipeline Projects

Bogdan provides a list of several potential projects in various stages of activity. Bogdan reported that the Corporation is not performing any due diligence on these projects pending any CDFI Fund additional award of NMTC. .

VIII. NMTC LEGISLATION STATUS

Bogdan reported that the president signed the bill to extend the NMTC program through 2010 and 2011 at a level of \$3.5 billion per year as we meet. The CDFI Fund has scored all of the applicants and has selected the awardees. They did it assuming a \$5 billion per year authorization and appropriation. The NMTC Coalition voted to keep the number of winners the same and to reduce the amount of the awards to each winner. The CDFI Fund has indicated that they will announce the winners in February. Michigan should be in the cat bird seat as the Chair of Ways and Means moves from Michiganian Sander Levin to Michiganian Dave Camp. Donna Gambrell, CDFI Fund Director indicated in her speech that her two main priority cities in the nation are New Orleans and Detroit. Bogdan reported setting up a meeting for Blaszkiewicz and Olga Savich and possible a person from the Mayors’ Office and me to meet with Donna Gambrell in DC on February 28th to discuss what the MMF can do to collect the funds for the City. Bogdan noted that Dave Dworkin now heads up their Capital Magnet Fund

IX. INPUT FROM LOW-INCOME REPRESENTATIVES AND OTHER BUSINESS

There followed a request for input from low-income representatives and barring none and there being no further business to come before this meeting, upon motion duly made, seconded and unanimously adopted, it was adjourned at about 4:35 p.m.

Respectfully submitted,

Mark Morante, Secretary

Purchase of Property/General

Purchase Price	\$	58,544.25	000699
Warner Norcross (Matter #128564)	\$	53,131.42	001066

Brownfield TIF

Warner Norcross (Matter #129721)	\$	11,016.06	001066
Equity Resource Environmental	\$	11,942.50	001015-001024
Rose & Westra, Inc.	\$	40,541.31	001038-001046
DEQ Work Plan Review	\$	18,188.34	001062

Credit Application Fees

MBT Credit Application Fee	\$	5,000.00	001025-001026
Historic Credit Application Fee	\$	2,500.00	001059
MMF Application Fee	\$	10,000.00	001058

DEQ Loan/Grant

Bosgraaf Commercial (Sep 16, 2009)	\$	1,002,919.56	001028
Bosgraaf Commercial (Dec 16, 2009)	\$	39,100.00	001052
Bosgraaf Commercial (Dec 28, 2009)	\$	49,080.44	001053
Bosgraaf Commercial (Jan 15, 2010)	\$	188,530.00	001054
Bosgraaf Commercial (Jan 15, 2010)	\$	16,472.00	001056
Bosgraaf Commercial (Jul 22, 2010)	\$	46,658.00	001061

Demolition

Bosgraaf Commercial (Dec 16, 2009)	\$	460,646.64	001050-001051
Bosgraaf Commercial (Dec 28, 2010)	\$	433,960.47	001084-001065
Quality Environmental Services	\$	41,180.00	001049

Construction

Bosgraaf Commercial (Dec 28, 2010)	\$	800,107.20	001063
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Payments Received

DEQ Grant	\$	(1,000,000.00)	001072
DEQ Loans	\$	-	

TOTAL OUT OF POCKET COSTS:	\$	2,289,518.19	
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Carrying Costs

Interest on Costs at 7.8% (Jan 1, 2011 - Dec 31, 2016)	\$	1,071,494.51	
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Year	Construction cost		Proposed construction schedule (Newell delay)			
						Construction cost
2010	\$3,900,000.00					
2011		1.60%	*			
2012		2.10%	*			
2013	\$1,800,000.00	4.10%	*			
2014		4.40%	*			
2015		4.50%	*			
2016	\$2,750,000.00	4.00%	#			
2017		4.00%	2017 #	24.70%		\$4,863,300.00
Oct 10 2018	\$8,450,000.00	4.00%	#			
2019		4.00%	#			
2020		4.00%	2020 #	33.00%		\$2,394,000.00
2021		4.00%	#			
2022		4.00%	#			
2023		4.00%	2023 #	32.00%		\$3,630,000.00
						\$10,887,300.00
		Increase in construction cost due to delay				\$2,437,300.00

*	Turner Bldg cost experience
#	Average future calculation

Turner Building Cost Index
MBT Mega credit 000841